

The AMERICAN OBSERVER

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe



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OCTOBER 25, 1933

Germany Quits Arms Parley and League

Hitler Calls for Popular Election to Uphold His Insistence on German Rights

EUROPEAN NATIONS ALARMED

Present Moment Called Most Dangerous Since the World War

The discussion over arms reduction which has been going on for some time reached the stage of crisis on October 14 when Germany, impatient of delay, withdrew from the arms conference and from the League of Nations. Chancellor Hitler at the same time delivered an address to the German people calling for the support of the nation. The Reichstag was dissolved and a new election called for November 12. After that the German government will decide whether or not it will attempt to rearm despite the provisions of the Versailles Treaty. Meanwhile the other governments are watching the situation with great anxiety, realizing that Germany and her former enemies are treading dangerously near the brink of another war.

Background of German Action

This drastic action by Germany comes as a climax of years of debate on the problem of disarmament. When the war closed, with Germany defeated and helpless, the victorious allies wrote into the peace treaty a provision practically forbidding the maintaining of a German army or navy. At the same time these allies wrote into the peace treaty an implied promise that they themselves would reduce their armaments. The Germans maintain that the allies, by failing to carry out their part of the agreement, have really broken the whole treaty provision about disarmament. They say that they themselves are not obliged to continue year after year to heed the provisions of a treaty which the other parties to the treaty have long since thrown aside. They point to the preamble of Part V of the peace treaty, which states:

In order to render possible the initiation of a general limitation of the armaments of all nations, Germany undertakes strictly to observe the military, naval and air clauses which follow.

Is Germany required to observe these clauses for an indefinite period? Is she excused from them after it becomes apparent that they are not to result in "the initiation of a general limitation of the armaments of all nations"? The Germans say they are not. They say they have waited long enough. They have been saying that for a number of years.

The allied nations, the nations which wrote the Treaty of Versailles, have meanwhile taken up the matter of disarmament from time to time. They have established certain limitations on naval armament but have not done much else. In conference after conference it has been found impossible to arrive at a plan of reduction satisfactory to all the nations.

Attempt at Compromise

Lately the Germans have pressed impatiently for equality with the other nations. They have said they were willing

(Concluded on page 7, column 1)



THE TOWER OF BABEL

—Talbot in Washington News

Are You Being Educated?

Young men and women frequently lean too heavily upon schools and colleges. They assume that an institution of learning will, by some undefined process, transform the human material passing through it. This is a serious error. A school is a passive thing, rather than an active agency. It is a set of opportunities which the student may seize, but the seizing must come from the initiative and will of the student. If the student, like the institution itself, is passive, nothing of consequence happens. One distinctive mark of a truly educated person is tolerance and broadmindedness. But it is possible to go through school and college without acquiring it. One may get into the habit of accepting new ideas only when they agree with those he already has. If he does this he will retain all his old prejudices. Furthermore, the old limitations which rendered his opinions narrow and inadequate will remain. This stoppage of development is experienced if one becomes angry and combative when confronted by a set of facts which run counter to the facts or assumed facts with which he is familiar. When one rejects without examination ideas which are disagreeable to him, he is closing his mind to possible growth. One who is quick to impute unworthy motives to those who advance opinions he does not like, is showing the marks of narrowness and ignorance rather than those of the educated man. The man or woman with trained intellect will not throw aside his opinions whenever a new idea is advanced. But neither will he resent the new idea. He will examine it on its merits. He will be adding constantly to his store of facts and opinions, enlarging them, throwing them aside when necessary, or modifying them in the process of assimilating something else. The result is an ever-enriched personality, a tolerant spirit, a widening range of information, a growing competence, loftier altitudes of inspiration. One can frequently test himself quite effectively to see whether his mental habits tend to promote education and culture. If some one questions the soundness of some cherished conviction of yours, watch for your reaction. Anger and a disposition to question motives are danger signals. A disposition to study the new facts or ideas candidly and honestly may be accepted as an indication that you are acquiring an education.

Japan and Russia in Dispute Over C.E.R.

Soviets Charge Japanese with Plot to Seize Railway Without Paying for It

STATE OF TENSION INCREASES

Incident Brings up the Question of Japan's Whole Policy in Far East

The Far East has often been described as one of the world's foremost danger zones—a bombshell threatening at any moment to burst and unleash the angry flames of destructive warfare. Such an explosion occurred in the fall of 1931 when Japan stretched her arm across to the mainland of Asia and suddenly snatched Manchuria away from weak and unsuspecting China. Now, trouble again threatens to invade the East, but this time from another quarter. This time it is Soviet Russia and Japan who growl and glower at each other.

History of C. E. R.

The difficulty is over the Chinese Eastern Railway, the slender strip of trackage extending for 1,069 miles across the wilds of northern Manchuria. The C. E. R. connects Manchuli and Pogradichnaya and has a branch running from Harbin to Changchun (see map p. 2). It was built and is owned by Russia and forms the principal link between Moscow and the Pacific. Russia has always considered this outlet to be of the greatest importance. It gives her a long needle-like corridor through which she can gain access to the East. To be sure, she has another avenue along the circuitous Trans-Siberian Railway which skirts the north of Manchuria. But the way is long and Siberian winters are discouraging. The C. E. R. is more direct and practical.

Construction of the railway was begun in 1897, after Russia had obtained China's permission to pass through Manchuria. It was built at a cost of \$200,000,000. Agreement was made at the time that China should have the privilege of buying the road after the expiration of thirty-six years. If she did not buy it, she was to have possession without cost at the end of eighty years. This compact, however, was upset by the World War and the subsequent communist revolution in Russia. General confusion overtook the C. E. R. and after the war the Chinese took it over and managed it. Then, in 1924 a new agreement was signed which provided that the railway should be operated jointly by Russia and China. The original treaty was to remain in force until a new one could be negotiated at a later conference. At this meeting—which has never been held—the fate of the railway was to be determined by the two parties without the assistance or interference of any third party.

New Situation

But a new situation has arisen now that Manchuria has become Manchukuo, and has been proclaimed independent by Japan. The Manchukuoans, under Japanese protection, claim that Chinese rights to the road have passed to them. They want to get it away from Russia in order

that they may enjoy its full possession. The Soviet government has expressed a willingness to sell the C. E. R. to Manchukuo, not because of any particular desire to be rid of it, but because of a wish to avoid trouble. When Japan invaded Manchuria, Soviet authorities became uneasy, fearing that they might be drawn into the fray by reason of their interest in the area under conflict. They were anxious above all to avoid a war with Japan, as such a venture would have impeded and perhaps destroyed entirely their cherished five year plan. They escaped this but realized that the C. E. R. might prove more troublesome than it was worth. Accordingly, sale of the road was proposed and negotiations were begun last spring.

China naturally protested. The Chinese deny that Russia has a right to sell the C. E. R. to Manchukuo, just as they deny that Manchukuo is really independent. They claim that the treaty they have with Russia forbids a third party to have any connection with the disposition of the C. E. R. It is a matter which must be settled between Russia and China alone. But China is weak and divided. She could do nothing more than protest and Russia and Japan (or Manchukuo) proceeded serenely with their negotiations.

All might have gone well had the two powers been able to agree on a price. But Russia was unwilling to consider less than \$100,000,000 and Japan refused to offer more than \$25,000,000. Negotiations dragged on for months without any apparent hope of successful termination. Then began a series of incidents along the C. E. R. which have resulted in the present ill feeling between Moscow and Tokyo. A number of Soviet officials of the C. E. R. were arrested by the Japanese and charged with various offences. Conditions in general along the railway have become exceedingly uncomfortable. Russia has become irritated by these events and tension has enveloped the negotiations.

Crisis Reached

The climax came on October 11, when the Soviet government released to the press four documents tending to prove that Japan was plotting to seize the C. E. R. without paying for it. Japan, enraged, charged that the documents were forgeries. Russia hastened to strengthen her Far Eastern defenses and a distinctly warlike atmosphere has developed. The Soviet government has clearly indicated that its domestic situation is no longer as critical as it was in 1931. Since that time Russia's armed forces have been increased and she is ready for trouble if it comes. In Japan there has for a long time been

talk of an inevitable war with Russia. The military element in Japan has demanded larger sums for the army and navy, giving as its reason the necessity of being prepared to defend the independence of Manchukuo. The enemy implied is Russia.

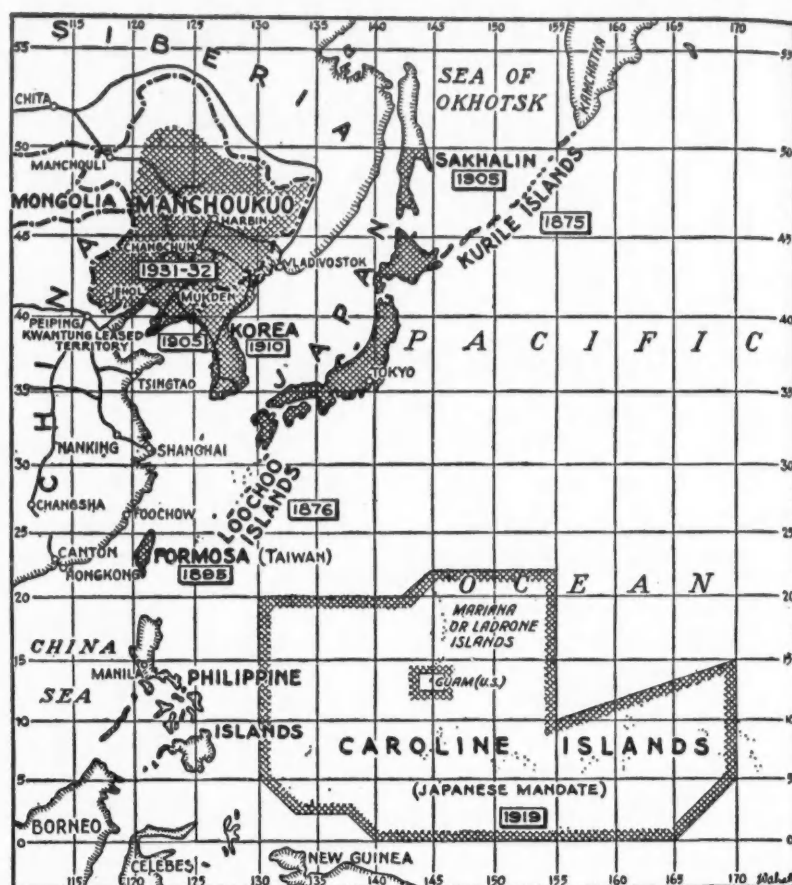
However, it must be remembered that while there is violent ill feeling between Russia and Japan, it is by no means certain that war will be the outcome. Each nation is anxious to avoid a conflict at this particular time. The Soviet government would still prefer to concentrate its attention on its domestic program and Japan is having serious difficulties in balancing a budget badly damaged by the costly Manchurian campaign. Crises of this kind often come between nations without their resorting to war, although it is true that war may easily be the outcome of such dangerous moments if statesmen maneuver their countries into situations from which they cannot retreat without seeming to set a stain upon the national honor.

These are the facts in the present disagreement between Japan and Russia. What lies behind them? For an answer we must look to Tokyo and to Japan's long-standing policy with regard to the Far East.

Japan's Aims

In 1853 Commodore Perry forced his way into Japan and shook the country from its isolated sleep of centuries. Immediately a transformation came over the Japanese. They resolved to become modernized and powerful. They rewrote their constitution and began a systematic introduction of Western methods and ideas. How well they accomplished their aim is attested by the fact that in 1905 they were able to startle the world by winning a war with the huge bulk of Czarist Russia. From this conflict Japan emerged as one of the world's major nations.

Such rapid achievement was possible because the Japanese had set for themselves a definite goal. Every step they have taken has been in the direction of this goal. To attain it fully five things must be accomplished. First, as has been indicated, Japan must be modernized. Second, she must have what she calls a "place in the sun," that is, a predominant position in Asia and a status of political equality among all nations. Third, Japan must expand for her own resources are insufficient to sustain her crowded population. She must have sources of raw material and markets for the goods turned out by her industries. Fourth, she must be secure in her position. She must be



JAPAN—AN EMPIRE THAT GREW OUT OF FOUR ISLANDS
(From "The Tinder Box of Asia," by George E. Sokolsky. Doubleday, Doran)

strong enough to prevent attack and must be able to protect and keep her raw material sources and her markets. Fifth, Japan wants an end to racial discrimination and prejudice, not only against herself, but against all the people of Asia.

It is essential that these aims be kept in mind when any situation in the Far East is considered. Once Japan's basic policy is known, her movements are more easily understood. For example, she decided to detach Manchuria two years ago, because she was anxious to promote her security. She had spent years in developing raw material sources and in building railroads in Manchuria. She feared that at some future time she might be deprived of the advantages she had gained and therefore determined to strengthen her position. She felt it necessary to obtain a firmer hold on the Asiatic continent for several reasons. In the first place, the Japanese realized that China might not continue forever as a weak nation divided into many warring factions. Some day a force might arise which would unite the country and begin to build it into a solid power. If this should happen the Japanese might be forced out of Manchuria which would be disastrous even for them. More immediate, however, was the fear that the Western nations would soon offer strong competition in the markets of China. Great Britain and the United States were already doing a large business with China's 400,000,000 people. There was the prospect of a much greater market in that country if conditions became more settled. The Japanese wanted to be sure that they would remain well entrenched on the Asiatic mainland. By acquiring Manchuria and by extending their influence into northern China, they felt that they would be in a preferred position. And finally, the Japanese were fearful of the growing power of Russia. The Soviets were embarked on a large program of industrialization. This was extending into Siberia and the Japanese feared that the So-

viets would eventually seek to gain a greater hold on Manchuria.

It is because of this last-named fear and because they wish to have complete control of Manchuria, that the Japanese now want ownership of the Chinese Eastern Railway to pass from Russia to Manchukuo. Without the C. E. R. Russia would have great difficulty in penetrating into Manchukuo should she so desire and Japan's security would be correspondingly increased. The C. E. R. is so important to the Japanese that they will go to war for it, if necessary. They are convinced that the goal they have set for themselves must be attained at any cost. And the cost has been heavy. The Manchurian affair has brought great economic distress to the Japanese. War is expensive and the Chinese have retaliated by waging a boycott against Japanese goods.

In order partially to overcome the effects of the boycott Japan has been forced to turn to other markets. Her chief success along this line has been in India. Since last year she has increased her exports to the Indian continent by about forty per cent. But even in 1931, the year the Manchurian campaign was begun, Japan sold more cotton and rayon goods in Indian markets than Great Britain. Britain now fears that Japan aims to dominate India as well as China. To protect her market she recently caused the announcement to be made that the trade agreement between Japan and India which had existed for twenty-nine years would terminate on October 11. The agreement had given Japan certain trading privileges. As a result of this act, tension arose between Japan and Britain and a conference was called at Simla to iron out the differences.

The Japanese, therefore, are pushing forward on every front. They are intent upon creating an "Asia for the Asiatics" and are bending every energy toward this accomplishment, especially now when the Western World is engulfed in its own troubles. The task may prove too great for Japan and she may find herself ruined by her own economic crisis. But the Japanese people do not think this will happen. The current attitude in Japan is well summarized in an opinion recently expressed by a prominent Japanese industrialist, who said: "The more I watch my countrymen, the more I am convinced that we are the smartest people on earth. We are outpacing the countries from which we used to learn."



A JAPANESE FAMILY AT HOME

—Courtesy Asahiograph



RESIDENT ROOSEVELT has created a new division of the Reconstruction Finance Corporation to loan money to closed banks, so that people who have money in these banks may gain access to it in a short time.

About \$1,000,000,000 is expected to be released in this manner, adding that much to the nation's purchasing power. Many of these banks have assets which would enable them to pay their depositors considerable sums after a while but they cannot obtain the money at once. The government loans will permit immediate payment. Then later, the banks can dispose of their assets and pay the government back.

"Calling" Liberty Bonds

The United States government is going to pay back part of its national debt next April. But it is going in debt again for an amount equal to the reduction. It is going to pay off some of the bondholders from whom it has borrowed money, but it will sell other bonds in like amount. Why should it do this?

In order to understand what the government is doing, let us compare its action with that of a man who has borrowed \$1,000 and is paying 4 1/4 per cent interest each year. In other words, he is paying \$42.50 interest. He wants to cut down his interest charges. He finds that he can borrow \$1,000 now for 3 1/4 per cent. His interest on his new loan will therefore be \$23.50 a year. So he borrows another \$1,000 and pays back the first \$1,000. The new loan will be at the smaller rate of interest.



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WILLIAM H.
WOODIN

That is what our government will do. In 1918 it borrowed over \$6,000,000,000 to carry on war operations by selling bonds to American citizens. The time has not yet come when this money must be paid back, but the government is going to pay it back, or a part of it. On April 15, 1934, it will "call" \$1,875,000,000 of the bonds; that is, it will pay off the bondholders. It will sell another set of bonds at a lower rate of interest. It will pay the same interest rate, 4 1/4 per cent, the first year, but after that it will pay only 3 1/4 per cent. In this way it will save millions of dollars. Secretary of Treasury Woodin has charge of this financial operation.

Settling the Unemployed

The national government has set aside \$25,000,000 to be used for moving unemployed men and their families from city to country. The first step in this direction is now being taken. The government has bought a large plot of land in West Virginia, on which a colony of 200 families will be established. Small but comfortable houses, with two to four acres of land, will be sold to each family. The houses will cost about \$2,000 each and the owners can take twenty years to pay for them.

A community schoolhouse is part of the plan. There will also be a factory operated by the government in which various kinds of twine will be manufactured for the United States Post Office Department. The heads of the families will be able to obtain employment in this factory, while other members of the families will likely cultivate gardens and raise chickens. Cows will also be bought to supply the community with milk.

This colony will be only the beginning of the government's great experiment to make our cities less crowded and to enable people to derive part of their livelihood from the soil.

Tammany Revolt

The New York City mayoralty race is on in full force. November 7 is election day. In a recent issue of THE AMERICAN OBSERVER, we said that the powerful organization of Tammany was backing the present mayor, John O'Brien. But during the last week or so, many Tammany leaders have shifted their support from Mayor O'Brien to Joseph McKee, who is running as an independent Democrat. While they are not particularly enthusiastic over Mr. McKee, they would rather that he, a Democrat, would be the next mayor, than former United States Representative La Guardia, who is a Progressive Republican.

Following the News

And they feel that Mayor O'Brien's chances of winning the election are diminishing every day. Both McKee and La Guardia are strongly denouncing Tammany for graft and corruption in governing the city, and both of them declare they will bring about much-needed reforms if they are elected.

U. S. Protests Nazi Attacks

Our State Department, through Ambassador William E. Dodd, has protested to the German government against Nazi attacks on American citizens living in Germany. Several Americans have been offended and in some cases brutally attacked because they failed to make the Nazi salute. The German government is said to have assured Mr. Dodd that steps would immediately be taken to punish those guilty of violence toward Americans.

Graf Zeppelin Coming Here

The *Graf Zeppelin*, famous for its round-the-world flight in 1929, will soon be in the United States. It will be navigated on this trip, as it was on the other, by Dr. Hugo Eckener. The airship is now on its way to Brazil. After a short visit there Dr. Eckener and his guests will come to the United States, where they will attend the World's Fair.

"Freedom of Press" Issue

Last week a dispute came up between General Johnson, NRA administrator, and James True, who publishes "Industrial Control Reports," in Washington. General Johnson, like most high officials of the government, holds frequent press conferences. Mr. True has been attending these conferences to obtain information for his reports which he sends to industrial executives. According to General Johnson, Mr. True has violated his right to attend the conferences by publishing statements "consistently without foundation in fact and in one case distinctly libelous." The libelous case to which he refers appeared in a recent report put out by Mr. True, stating that "charges are made and sustained by convincing evidence that men high up in the organization are using sinister influence on committees and at hearings in behalf of certain interests." (The organization which Mr. True mentions is the NRA.) General Johnson claimed that this statement was absolutely without foundation and he informed Mr. True that he would not be expected at future press conferences.

Mr. True, of course, did not like this. He challenged General Johnson's authority to curb freedom of the press. He declared that for the NRA to invoke a censorship over written material would be a "violation of the guaranty of a free press contained in the first amendment to the Constitution." He even announced his intention of being on hand, as usual, at General Johnson's next press conference.

League of Nations

The League of Nations has organized a committee to give assistance to Jews, com-

munists and others who have been forced to leave Germany. Representatives of fourteen nations are members of this committee. These nations are either neighbors of Germany or are in a position to be of special aid to the unfortunate Germans. The League is planning to ask a representative of the United States to be on the committee, making a total of fifteen nations.

Senators Borah and King Differ

Immediately after Germany withdrew from the League of Nations and the disarmament conference, various members of Congress expressed their opinions relative to her action. Senator William E. Borah, Progressive Republican of Idaho, and for a number of years chairman of the Senate Foreign Relations Committee, declared that this serious situation "can be charged to no single nation." He said that the "victor nations" of the World War should "carry out the pledge made in the Versailles Treaty and disarm." He went on to say:



—R. G. List
WILLIAM E.
BORAH

That which is happening in Europe is the legitimate fruit, the legitimate result of the policies which have been pursued by the nations on both sides for the last fifteen years.

The revision of the Versailles Treaty was the prerequisite to peace in Europe. The huge armaments which have been built up have been built up to maintain a treaty which it was impossible to maintain. . . . I have said many times during the last fifteen years that there would never be peace in Europe, never be disarmament until the Versailles Treaty was rewritten. It is to be hoped that those directly concerned will seek readjustment through peaceful means, but readjustment in some way must be had, not merely in the interest of a single nation, but in the interest of all nations, in the interest of peace.

On the other hand, Senator King, Democrat, of Utah, describes "Hitler's conduct" as "that of a madman." He gave out this statement:

Hitler knew and the German people should know that within a very short time, if Germany would cease her belligerent attitude and Hitler his vociferous threat, all nations would have reduced their armaments and military expenses so that the goal of international disarmament would have been attained. Hitler's conduct is that of a madman, or one possessed of inordinate ambition and reckless of consequences. His movement today will compel the allied nations and the United States to revise their program for disarmament and to take counsel together to protect themselves from the consequences of Germany's evident purpose to challenge the peace of the world. My information, which I think is authentic, supports the view that Germany has for some time been preparing for this eventuality by training hundreds of thousands of her citizens for military operation. Germany has no occasion whatever for this spectacular movement.

A. F. of L. Boycotts Nazis

The American Federation of Labor, at its annual convention recently held in Washington, decided to "join with other public-spirited organizations" in "officially adopting a boycott against German-made goods and services." In doing so, the A. F. of L. condemned the Nazis on two grounds; first, their treatment of Jews, second, the Hitlerite government's campaign which destroyed the German Trade Union Movement. It was made clear, however, that this boycott would not apply to Germans living in this country.

Marconi Visits U. S.

About forty years ago, Guglielmo Marconi invented the wireless. Other inventors had been experimenting along that line, but it was Marconi who finally turned out a finished wireless set. Not only was this invention a great contribution in itself, but it also paved the way for radio communication which came a few years later.

This famous inventor recently came to the United States. He and his wife have visited television laboratories where Marconi made the prediction that it would not be long before television sets would be successfully operating in a great many homes.

U. S. "Devil's Island"

The United States is planning a "Devil's Island" for desperate criminals. Last week, Attorney General Cummings announced that our government had acquired a military prison which is located on Alcatraz Island in San Francisco Bay. The island is a mile from shore. The current in the bay is swift and escapes are said to be virtually impossible. The prison already on the island has secure cells for 600 persons. Mr. Cummings declared that only those federal prisoners of the more desperate type, such as George Kelly, kidnapper and desperado, who was recently arrested, will be sent to the island prison. The isolation of prisoners on this lonely island is not intended solely as a means of punishment. It is only a step to protect the average prisoner from the harmful influence of those desperados who are beyond reform.



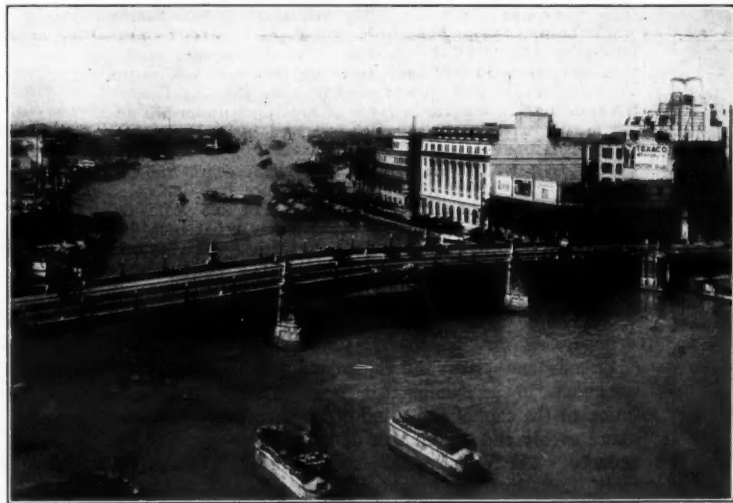
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HOMER S.
CUMMINGS

Philippine Independence?

Last year Congress passed the Hawes-Cutting bill which provided for Philippine independence after a ten-year trial period of self-rule. Both houses of the Philippine legislature, however, recently turned down the independence bill after months of controversy. The Filipinos are so divided in their views on this issue that it is difficult to interpret their feelings.

This much, however, seems certain. The great majority of the islanders are longing to obtain their freedom as quickly as possible. Those members of the legislature who voted against the Hawes-Cutting bill did so for several reasons. For one thing, many of them feel that ten years is too long to wait for their independence considering the years they have already had to wait. On the other hand, many Filipinos are worried about what would happen to their economic life if Philippine sugar could no longer enter this country under the special tariff privileges now granted. Those islanders who are anxious about this angle of the problem ardently desire independence but they want the United States to wait a longer time than is provided in the Hawes-Cutting bill before raising tariff walls against Philippine sugar.

Moreover, there are many people in the United States who feel that our government is obligated to move slowly in closing American markets to the islands' products. They believe that to shut the Filipinos off from our economic protection, without giving them a long time to build up new markets, would be disastrous. They criticize the Hawes-Cutting bill because they say it was influenced in large part by American sugar interests which are attempting to eliminate competition from the islands. All these questions will undoubtedly come up at the next session of Congress which meets in January. The Democrats are expected to pass a bill for immediate independence.



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MANILA, THE PHILIPPINE CAPITAL, IS A THRIVING, MODERN CITY

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Government and Labor

General Johnson made two important announcements relative to the government's policy toward labor in his address at the American Federation of Labor Convention. First, he declared in favor of the unionization of industry. All workers, he thought, should join labor unions. This indication that the influence of the government is thrown to the support of labor unions must have been very welcome to the representatives of organized labor. But along with this declaration General Johnson coupled another which some of the labor leaders did not like so well. He said there should be no more strikes. He called strikes "economic sabotage." He said that workers should organize and should meet the organized employers in each industry and that they should undertake to work out agreements in the case of all problems involving capital and labor. But the government, he said, should have an absolute veto over these decisions and he let it be known that the government would oppose strikes as a means by which the workers should obtain their ends.

The first of these declarations, that in favor of the formation of labor unions in every industry, is a logical development of NRA policy. The NRA calls upon employers in each industry to unite. All of the firms which go to make up the steel industry, the coal industry, the textile industry, and each other industry, are told to get together and form a trade association. This is, as we have pointed out before, a sort of government with its own rules—with its own rules of fair trade practices, of fair wages and fair working hours. Machinery is to be set up in each industry for the enforcing of these rules. Each industry, therefore, becomes a sort of state within a state. To a certain extent it is to be self-governed. But there is no provision for labor to be represented in this organization. The NRA codes have provided that labor may organize if the workers see fit to do so, but in most cases they are not organized. In each industry, therefore, there is an organization of employers, but the workers are not prepared to look after their own interests. To a certain extent the government is looking after their interests, but now General Johnson, expressing presumably the opinions of the Roosevelt administration, calls upon workers everywhere to form themselves into unions so that they may negotiate on equal terms with employers. The organization of industry, if this is done, will be more democratic. Labor will have a voice in reaching decisions about matters which affect the workers.



WONDER WHY THEY DON'T COME IN

—Darling in N. Y. HERALD-TRIBUNE

But the government does not propose to let the organized employers and the organized workers in any industry have a free hand in coming to conclusions. It will have something to say about the conditions under which business operates. It will have something to say about conditions under which laborers work.

Finally, the government will not allow industries to close down when the employers and the men disagree. It will not recognize the right of labor to strike. That is, it will not do so if General Johnson's announcement comes to be the recognized policy of the government. The adoption of such a policy will, of course, give the government very great power and it will place upon the government very great responsibility. It will mean that the government; that is, officials selected by the whole population, will have the final word as to what wages will be and as to how long the hours of work will be. It will mean, perhaps, that the government will have something to say about prices and about other activities of business companies.

Many business men will, of course, oppose such a governmental policy. Owners of business have in the past had very great freedom in conducting their businesses. They have been almost unhindered in the management of their concerns. They have been free to give whatever wages they have seen fit to give, and to establish whatever hours they have desired. They have been limited in this chiefly by the power of workers to compel better treatment. The workers have been able to exert pressure on employers by threatening to strike, or by actually striking, thus closing down the plants. This has been a weapon of very great weight.

It is natural, therefore, that there should be opposition by many of the labor leaders when government officials talk about taking away this weapon. If the workers cannot strike, will the fact that they are formed into unions really mean very much to them? Will they be able to secure better wages and other conditions? Some of them think not, and so they insist stoutly upon the right to strike. General Johnson thinks, of course, that labor can be assured of fair treatment, since the government promises to stand over both employers and workers to see that justice is done. But can the workers depend upon the government at all times to sustain their demands for constantly improving conditions? A government, after all, represents all classes of the population. May we not have administrations sometimes which are too friendly to employers? Can labor afford to leave it to a political government to look after its rights?

On the other hand, can the general public afford to permit capitalists and laborers to fight out the question as to the conditions under which industry shall operate? If there is a dispute on as to what the wages in an industry shall be, can the government, representing the whole people, allow the issue to be determined by the superior strength of either the capitalists or the workers? Can it permit plants to shut down and industry to be disorganized because of a quarrel between the two factions?

These are tremendously important issues. They are among the most important of all those which will have to be thrashed out during the months and years to come. They involve problems as to the very nature and duties of government. In order to reach a conclusion about them one must do quite a little clear thinking.

The Utilities Question

Public vs. private ownership of public utilities is a question which periodically provides a hot debate in Congress and in local governing bodies. It is not often, however, that a community considers the problem seriously enough to provide for a popular referendum. The St. Louis *Post-Dispatch* comments as follows on the coming election in Cincinnati:

Cincinnati will vote in November on municipal ownership of gas and electric plants. For some years Cincinnati has been dominated by a nonpartisan group, known locally as the charter men. This group succeeded in rescuing the city from the corrupt rule of machine politicians, installing the city manager plan and inaugurating many fine reforms. But it contains many powerful and wealthy individuals who ordinarily would be opposed to municipal ownership. One of the most interesting aspects of the election is the attitude the charter men will take. Present indications are that they will hedge. For example, the nine charter candidates for the City Council have declared themselves in favor of municipal ownership unless a rate "considered equitable" is agreed to by the private utility.

That is a joker wide enough to drive a coach-and-four through. The fact is Cincinnati's experience has duplicated that of thousands of other communities. For five years, the question of what is or what is not a fair rate has been discussed, and no solution has as yet been reached. Private utilities' idea of a fair rate usually is based upon a fantastically swollen valuation.

A Helpful Step

Friends and critics of the administration are almost unanimous in the opinion that there must be some stimulation of the capital goods industries if recovery is to advance evenly and the number of unemployed considerably reduced. *The New Republic* speaks editorially about the work of Railroad Coordinator Eastman in this direction:

During all the ballyhoo about NRA and other new governmental agencies, Railroad Coordinator Eastman has been quietly forging ahead with a lot of useful work. Much of this



COME ON WITH THAT LANDING NET

—Talbert in Washington NEWS

work is still in the preparatory stages; time will be required to make it count. But one thing at least is a perfectly definite and well-managed contribution to recovery. That is the organization of large new purchases of rails, depending on lower rail prices by the steel companies. The manufacture of rails has for years been a closely held monopoly by four great steel corporations; foreign competition was barred by international agreement; the price was held grimly at \$43 a ton while all other prices were diving; eventually the slight concession of a \$40 price was made, but it failed to evoke orders. Mr. Eastman's letter to the heads of the steel companies is a model of courteous but firm negotiation. He reminds them that these companies have now agreed with the president that they will, without collusion, submit competitive and lower bids for the rail orders in prospect. According to the steel code, the lowest price submitted will be the price of all. More than 800,000 tons of rails will be ordered immediately by the roads if the price is low enough. That is putting it up to the steel trust. It is one of the most intelligent actions taken by any arm of the administration.

Political Courage

President Roosevelt's recent speech to the American Legion convention in Chicago required political courage. The *Philadelphia Inquirer* remarks in its editorial columns upon the speech and the value of such courage:

That courage pays, even in politics, is a truth which most politicians find it hard to believe. Yet it has been shown again and again that the wise course is the straight course. Expediency might have seemed to dictate what Theodore Roosevelt once called "weasel words." The president might have said one thing and meant another. But there is no questioning his sincerity in his bold declaration that wearing a uniform does not entitle a man to benefits denied to his fellow citizens. That is, in fact, the crux of the whole bonus controversy. It will be recalled that President Coolidge once said bluntly he did not believe in a bonus. Did he injure himself politically in consequence? He did not. Nor has President Roosevelt injured himself by being equally frank. On the contrary, the response from the country has been distinctly approving.

Senator Copeland, head of the Senate's committee to investigate crime, now has something concrete on which to work. Someone recently stole his second best pants and \$400.

—Philadelphia INQUIRER

One should bear in mind that many a man who lived in the 1490's never heard of Christopher Columbus. He had no more tangible evidence of the throttling of old forces and the unleashing of new ones than most of us have now. Major periods in history do not announce themselves loudly. They take their beginning in a succession of events, no one of which may seem extraordinary.

—Howard F. Barker

"Women," concedes a college professor, "are every bit as intelligent as men," if they can get any comfort out of that.

—Philadelphia INQUIRER

No pacifist ever suggested that you could change human nature. All the pacifist contends is that you can change human behavior.

—Beverly Nichols

The really up-to-date cook book has a blank page in the back, on which you can write the phone numbers of nearby delicatessens.

—LIFE

"I advertised that the poor would be welcome in this church," said the minister, "and after inspecting the collection I see that they have come."

—Boston TRANSCRIPT

Yale scientists are trying to improve the breed of raccoons. In time, they hope to achieve a fur that will last clear through the senior year.

—THE NEW YORKER

Hitler Tells Story of Struggle in Book

German Text of "My Battle" Is Greatly Abridged in English Translation

HITLER'S autobiography, which has had a tremendous sale in Germany, has been translated into English and shortened materially. In this abbreviated form it is now offered to the English-speaking world. This autobiography does not bring the German dictator to the present period. The first part of it was written in 1924 while Hitler was in prison following his unsuccessful uprising in Munich. The second part was written in 1927. Little attention was paid to this work in Germany until the book was reissued this spring. "My Battle" (Boston: Houghton Mifflin. \$3.00) cannot be used, therefore, as an account of the years during which Hitler has become a world famous figure. It does not contain the story of the later years of national socialism. It is valuable in that it gives an insight into the foundational ideas which dominate Hitler and which have inspired his activities.

Hitler gives clear evidence in this book that he is not a scholar. He speaks readily concerning problems of race and of national expansion, but he does not give evidence of careful study. He exhibits rather his impressions and his prejudices. He stands out as an organizer and an agitator. In his treatment of the Jews he states categorically that the Jews are not a creative people. He assumes superiority for the German. He assumes that German organization has developed the Slavic civilization. That civilization is now in the hands of the Jews, he says, and must therefore deteriorate.

Hitler is prepared to take advantage of this deterioration in the "Jewish" domain of Russia. It is his dream that Germany shall expand to the south and to the east. It shall become a great empire, enclosing what is now Austria and parts at least of Poland and Russia. He looks forward to that day when the German empire will thus take in a large part of central and eastern Europe. He looks forward to a war to the death with France. He openly proclaims that Austria must be united to Germany.

There is no doubt but that Herr Hitler is an eloquent and a persuasive speaker, but he is a very poor writer. As his writings stand in the English translation, they are cumbersome and poorly organized. It is frequently hard for one to get at his meaning. This is not the fault of the translator, for the German edition is even worse.

An American in China

"Oil for the Lamps of China" by Alice Tisdale Hobart. Indianapolis: Bobbs-Merrill. \$2.50.

PEARL BUCK did perhaps more to interpret China to American readers than anyone else before her time when two years ago she wrote her successful "The Good Earth." But Alice Tisdale Hobart, who like Mrs. Buck has spent a good part of her life in China, has gone a step further in this excellent novel. With clear-cut strokes she has drawn a brilliant picture of the differences between the Chinese and American civilizations. In this, rather than in the perfection of her plot, lies the excellence of Mrs. Hobart's work.

"Oil for the Lamps of China" is the story of a young American, Stephen Crane, who casts his lot with a large American oil company bent on expanding its business in China. First in Manchuria and later in different sec-



ADOLF HITLER

From the cover of "Die Woche," Berlin, Sept. 23, 1933.

tions of China proper this young American forges ahead until he gains a position of recognition and prominence, only to be humiliated at the age of forty by being relegated to an unimportant nook in the company organization.

In telling this story, Mrs. Hobart shows a detachment generally lacking among the writers who interpret the contemporary scene of big business measured in terms of human life. The major contribution of the book is the bringing of her American characters into close contact with the Chinese, which gives to the reader an understanding of the Chinese mind and civilization rarely equalled in non-fiction works.

An Exiled Russian Returns

"First to Go Back" by Irina Skariatina. Indianapolis: Bobbs-Merrill. \$2.75.

THIS book offers a fresh approach to a subject upon which a deluge of literature has appeared during the last few years. Irina Skariatina is the first member of the Russian aristocracy to return to her country and report on what she found there. After an absence of ten years, this Russian countess visited the places she knew from the time of her childhood to her voluntary exile to America. "As soon as I crossed the border I realized that the Russia of 1933 is no more like pre-revolutionary Russia or Russia of the first years

of Revolution than day is like night," she declares, and then proceeds to give an almost day-by-day account of her trip through the land of the Soviets.

There is an intimacy in these pages that makes this work an important addition to the literature on Russia. It is the human relationships, the manner of living and thinking and talking of the Russian people, that are stressed by the author.

Deeping's Latest Novel

"Two Black Sheep" by Warwick Deeping. New York: Alfred A. Knopf. \$2.50.

TWO persons, each of whom at some point in his and her career is driven to a deed for which society exacts a penalty of imprisonment, meet and find mutual understanding. This is the simple plot in Warwick Deeping's latest novel. The deed of Henry Vane which served to place him behind the bars for fifteen years, is seen only in retrospect, as the novel begins its course with his release from this world which he had begun to accept as real. At the same time, Elsie Summerhays finds at the death of her father the necessity of going out and earning a living to support herself and her mother. She takes a position as governess where on the continent the paths of the two meet. Then comes a time when Elsie is goaded to her deed, and society exacts a penalty of one year.

FROM CURRENT MAGAZINES

"The Chests in a Recovery Year," by Gertrude Springer. *The Survey*, October, 1933. The annual drive for funds for the community chests will have to follow different lines this year because of the fact that so much of the work of direct relief—the feeding and clothing of the unemployed—has shifted from private agencies to public groups. Thus, the campaigns which have already begun throughout the nation will offer a critical test of the public's willingness to support the community chest as an agency for the amelioration of general social conditions of the people, rather than as a strictly relief-giving organization.

"The Dilemma of the Supreme Court," by Maurice Finkelstein. *The Nation*, October 18, 1933. To the question, "Will the Supreme Court find the NRA and the AAA unconstitutional?" a negative answer is given. "If the New Deal continues to command its present popular support the Supreme Court will be powerless to block it. Instead of the court putting the New Deal into eclipse, it will rather be the New Deal which will put into permanent eclipse the economic dictatorship of the court." But in upholding the constitutionality of the NRA, the Supreme Court will have to repudiate the policy governing many of its decisions of recent years by which important acts of Congress have been held unconstitutional. Why the change? Because popular feeling would run so high against the court's decision that Congress and the president would probably utilize their power to "pack" the court—that is, to appoint some new justices favorably disposed to the philosophy of the New Deal.

"The Future of the Labor Party," by W. Horsfall Carter, *The Fortnightly Review*, October, 1933. The British Labor party will never recover from the blow it received in the late summer of 1931 when Ramsay MacDonald and other leaders "deserted" and two months later when the party was formally repudiated by the voters of the nation. The fundamental reason for its permanent eclipse is that the party is at present divided among two strong factions, the one insisting upon a radical policy of seizing political control and the other insisting that democratic procedure shall not be abolished and that the incultation of socialistic tenets shall come by a process of gradual evolution.

"The World Faces Eastward," by Howard F. Barker. *The American Mercury*, October, 1933. In what is commonly known as the "modern" period, roughly from 1492 to 1932, the center of gravitation and influence has been in the West. The unprecedented shifts of population from western Europe during the eighteenth and nineteenth centuries, with the consequent establishment of European or western tradition, culture and civilization throughout the regions which were then being established in the western hemisphere, were the determining factors in this era. Further population migrations in the old channels appear unlikely. Henceforth, the East's influence will increase, for as the present densely populated regions of Asia enhance their standard of living through the processes of industrialization, they will make their influence felt in world affairs. "The potentialities of China, Japan, Indonesia and Russia awaken memories of the glories of Egypt, Persia and Macedonia, and convince one that a new era has opened in which, as in ancient times, the East will be ascendant."

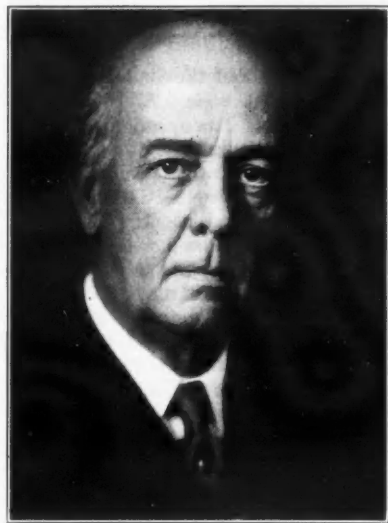


FROM THE END PAPERS OF "OIL FOR THE LAMPS OF CHINA"

Planning Board Set Up Within P.W.A.

Group Led by Delano to Coordinate Various Public Works Projects

"The meandering cow, footing her contemplative way across the luscious pasture to quench her thirst in a nearby stream, little realized that she was laying out streets for the expanding city of Boston. Subsequent to the cow, the famous Turvy family were called in as city planning consultants to help us lay out many of our cities. The most notorious member



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FREDERIC A. DELANO

of this famous family of city planners was, of course, Topsy, and so widespread and potent was her influence that the topsy-turvy type of city planning is still evident in practically every community,"—said Public Works Administrator Ickes, recently.

But the picture is changing gradually. Cities are learning the desirability of widening streets, developing parks and playgrounds, eliminating unsanitary conditions, and otherwise making more comfortable, healthful, and beautiful the places in which people live, work and play. It has been demonstrated that city planning for such improvements as these has been definitely worth while. Therefore, the question has been asked, why not national planning? With a federal public works program bringing the matter to the fore, such a question has been answered in the affirmative. A National Planning Board has been set up.

The chairman of this board is Frederic A. Delano, a man who for many years has been actively allied with city planning groups. He was one of the pioneers in a Chicago planning program that has resulted in widened streets and boulevards, the transformation of an insanitary, festering street into Wacker Drive, the development of parks and playgrounds. Mr. Delano then went to New York City and helped to arouse it to the need for civic improvements. He has been a leader in making Washington a more beautiful and metropolitan area.

The other members of the newly created National Planning Board are: Professor Wesley C. Mitchell of Columbia University, and Professor Charles E. Merriam of the University of Chicago. The executive officer of the board is Charles W. Eliot, 2d.

What will be the functions of this national planning group? They will

study projects in their entirety. For example, there was a time when, if one section of the Mississippi were flooded, no one thought of doing anything but trying to protect that one particular community, without any regard whatever to the results on other communities either up or down the river. The national planning group, in examining the needs of this particular area, would study the effects on adjoining areas. Problems of the Mississippi, Missouri and Arkansas watersheds would be studied as a whole, and no future federal development with respect to any of these individual watersheds would be undertaken until its relationship to the whole is understood.

The same procedure would be followed with regard to highways. Heretofore highways have been a type of crazy-quilt affair, their existence depending upon political pull. Moreover, plans for a transcontinental arterial highway are in the offing—another job for the National Planning Board. Then too, there are plans for distribution and transportation of electric current, redistribution of population, reclamation projects, harbor improvements, public buildings, soil erosion—to mention only a few of the other subjects which will eventually gain the attention of this busy board.

As Administrator Ickes has put it, the members of this National Planning Board are architects building a habitation for a new social order.

Citizens in Wisconsin City Plant Trees on Boulevards

When it looked as though the Park Board funds of Sheboygan, Wisconsin, were going to run so low this year as to prevent the planting of trees and flowers along certain boulevards, there was enough civic spirit in Sheboygan to push along the planting, funds or no funds. A notice appeared in the city papers. It asked whether citizens would be willing to plant flowers, and shrubs, and trees personally.

Would they? The response was unusual. Boy Scouts volunteered as troops to help with the work; civic leagues and organizations applied as groups; and individuals who were interested in the beauty of their city, or who were just flower lovers, also sent in their applications. Even city employees applied, and one man who had access to the municipal sewage treatment plant saw to it that the plot he was working on was fertilized.

This is just another case in which the lack of funds has welded a community into a cooperative group to do a thing voluntarily and thereby learn first-hand of an aspect of civic improvement.

Massachusetts Town Has Own Symphony Orchestra

Can any good come out of the depression? It brings hardship and suffering mostly, but here and there comes word of these lean years serving to draw a com-

munity closer together into some plan for mutual help and advancement. Take Norwood, Massachusetts, for example. The depression has driven Norwood as a community to music!

This Massachusetts town has an Opportunity School where the unemployed have a chance to join classes in physical education, the arts and crafts, business and cultural subjects. But perhaps the most successful offshoot of this school is the community orchestra of thirty-five musicians.

At first the group was limited to local residents not in the high school (for the high school has its own musical organization). But soon others in adjoining towns asked to be included, and now Norwood's Philharmonic Orchestra bids fair to becoming a county organization. When the Boston Civic Orchestra closed its last season, six members transferred their allegiance to the Norwood group.

Rich and poor, employed and unemployed, old and young, professional and amateur, play side by side, united in their appreciation of the classic art that is music. Since March the orchestra has played in a junior high school classroom. But a larger hall was needed, and has been offered in the form of a remodeled stable which has been fitted up into a regular studio.

Unemployed Workers Farm 10,000 Acres in Michigan

There is more than one way of making a living, some seventy-five families from New York's Bronx, Detroit, Chicago, Cleveland, Philadelphia and other points have decided a little grimly. They have trekked to the Prairie Farm near Saginaw, Michigan. There on that 10,000-acre tract of land they are busying themselves setting up the Sunrise Cooperative Farm Community. In time they expect their numbers to swell to 300 families.

How the project came into being is not a difficult story. Discouraged by the hardships of the depression and insecurity of a life dependent upon jobs in industry, they clubbed together, and by each family contributing \$500, were able to make a down payment on the farm. This is the only condition upon which a family may join the group, as race and creed are not taken into consideration.

The families will raise crops on the farm in order to provide for their living needs. The principal crops at the present time are sugar beets and peppermint, but these will be supplemented in time in order to care for the food needs of the community, the rest being sold to obtain cash to buy the necessary clothing.

Not only do the families share in common the work on the farm, as well as the products of it, but the care of the children of the families is a community affair. Although relations between parents and children are encouraged, the children five years old or older are housed separately, and their food, welfare and education are community matters.

Miss Abbott's Work Merits Recognition

Millions of Young People Receive Aid from Children's Bureau

Some years ago, a teacher who was dissatisfied with her work went to the University of Chicago to study for a Ph. D. in political science. Somehow, the courses didn't inspire her. A professor suggested that she might find interest in a visit to Hull House, the great settlement institution that revolves around the person and inspiration of Jane Addams. The teacher



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GRACE ABBOTT

decided to go to Hull House for the spring. She stayed seven years!

And that, in brief, is how Grace Abbott began a career of social service that led eventually to her present position of chief of the Children's Bureau of the Federal Department of Labor. Her first work after catching the spirit of Hull House had to do with immigrants. From studying the difficulties which American-born children of foreign parents often encountered, she began to develop an interest in children's work. She was ready, therefore, to accept the position of director of the Child Labor Division of the United States Children's Bureau in 1917 when it was offered her. Her chief job became that of enforcing the first federal child labor law.

After this legislation was declared unconstitutional, she entered into other activities that had to do with child welfare. When that very humanitarian division of the federal government—the Children's Bureau of the Department of Labor—needed a new chief in 1921, Grace Abbott was the logical choice for the post.

When the President's Reemployment Agreement and the various NRA codes wiped out child labor overnight—one of the goals for which the Children's Bureau had long been working—there arose a new problem. Almost destitute families who had been dependent on some income from the labor of child hands were left entirely without resources.

Responding to this situation, the Children's Bureau officials got in touch with officials of the Federal Emergency Relief Administration. As a result, within a very short time there went out from Washington a memorandum to all relief agents in the field, telling them to take immediate steps to locate cases of this type, and grant relief, to tide them over the present period of general distress.



THE FARM

From a woodcut by Thomas Nason, courtesy of the Weyhe Galleries, New York.

Germany Quits Arms Parley and League

(Concluded from page 1, column 1)

to keep their armaments down provided the other nations did the same thing, but that they were not willing to remain the only unarmed nation among the larger powers. The nations which defeated Germany in the war have recognized that there was a measure of truth in the position of the Germans. They have said that they were willing to accept the principle of equality. They would work for the establishment of conditions under which the Germans might arm on a basis of equality with themselves. But they could not agree quickly upon a plan whereby their own armaments could be reduced, and they were not willing at this time to permit the Germans to engage in the building of armaments so as to reach an equality with themselves. The whole matter, they said, was complex, and it would take a while to work it out.

The Plan Suggested

It was finally suggested that an armament truce be established—that for four years no nation should increase its armaments. During this time the attempt would be made to find a means of permitting the arming of Germany up to the level of her neighbors. Along with the German rearmament some provisions were to be established insuring the safety of nations against attack. That is as far as the negotiations had gone when Germany took her abrupt action. These negotiations had been informal. They were to lay the basis for the work of the disarmament conference which was to reconvene after a long recess on October 16.

The negotiators of the allied nations were hoping that some arrangement fairly satisfactory to Germany could be made. At the same time they were firm against permitting Germany to build at once armies and navies as large as their own. But the Germans decided not to negotiate any longer. Hence their determination to quit the League and the conference and decide for themselves what action they would take. When Germany left the conference it became apparent that the other nations could not do very much in the way of limiting armaments. They could not decide what they should do about arms reduction until they were certain of the course Germany would follow.

A Dictated Election

What course will Germany follow? That is not clear. The next step is the holding of the elections on November 12. The German people are asked to endorse what Hitler has done. It is thought that if they do this the rest of the world may be impressed by the fact that the German people are united. Thus Hitler will be in a stronger position in the assertion of German rights.

Of course, the election will result just as Hitler wants it to. How could it do otherwise? Opposition parties are not permitted in Germany. The Communist and Socialist organizations have been broken up. The leaders of these parties are imprisoned in concentration camps. There is a strict censorship on the press. No paper dares to voice opposition to Hitler and the Nazis. Opposition to the Nazi program has been declared to be treason and one may be put to death if he opposes the Hitler government. Under these circumstances an election is an utter farce. It is so farcical, in fact, that it seems a little strange that the Germans should be ordered to go through the motions of an election.

But the election will be held and Hitler will proclaim it as a grand triumph of his policies. He will proclaim that the German people are unitedly behind him. Then he may act again. What he has done now is merely to declare the intention of Germany to leave the League of Nations and to have nothing more to do with the disarmament conference. These acts of themselves are not offences against the Versailles Treaty or against the other nations. Any government may do as it

pleases about belonging to the League or about participating in an arms conference. Even though Germany will not discuss with her neighbors the question of disarmament, the Versailles Treaty still remains and that treaty does impose arms limitations on Germany. Will Hitler, after the November election, go a step farther and declare that Germany will no longer be bound by the treaty? Will he set about to increase German armaments contrary to the provisions of the treaty? Will he, in short, declare that Germany is free from the terms of the treaty which closed the

force. The French armies are vastly superior to the German. France has allies. Germany has not. Great Britain is supporting France. So is Poland. The United States is sympathetic. Austria is bitterly opposed to the Nazis and would not lend support to the Germans. Neither could Italy be depended upon by the Germans for support. It seems certain that if war should come the Germans would be overwhelmed. But that does not mean necessarily that they would not oppose French invasion. The German people are excited. They have worked themselves

war. They think the war resulted from a conflict of interests among the nations and partly as a result of scheming diplomacy on all sides. Other Germans feel that the allied nations, jealous of Germany's rapid development in material wealth and in influence, had encircled her and brought on the war to strangle her. Practically no German concedes that Germany was wholly responsible for the war, yet the victorious allies compelled the Germans by force to admit responsibility. The German people have stood all this with patience for fourteen years. Now they are ready to act with defiance and to raise their heads as an independent people, let the consequences be what they may.

As the French See It

We have just stated the case as it is seen by the Germans. Now let us see what the French think about it. As they see it, Germany was a threat to the peace of the world before the World War. The war came as a result of German ambition and of German militarism. France was invaded. Civilization itself was brought near to ruin. By the victory of France and her allies the German threat was quieted. Germany was placed in a position so that she could not strike again and France intends to keep her in that position. France will be secure only so long as she has an army at the frontier capable of beating back German invasion. The danger is all the greater since Hitler came into power with his threats to revive German militarism and German imperialism.

In order to see to it that Germany should not again disturb the peace of the world the allies declared in the treaty that Germany should be deprived of those weapons with which she had just inflicted such heavy wounds upon France and others of her neighbors. It was decreed that her armaments should be smaller than those of the other nations. The need that they should be smaller continues and France will not permit that Germany shall be armed equally with herself until she has some assurance that the other nations of the world, including Great Britain and the United States, will come to her aid if she is attacked.

The Germans may indeed be experiencing something like a fanatical zeal, but the French are experiencing a spirit of quiet determination—a determination that they will not trust their security to any promises of the Germans. They will depend upon cold steel in their own hands.

Other Nations

Great Britain stood shoulder to shoulder with France before and during the war, for Germany was threatening to take a dominant position in Europe—a position which might threaten British security. After the war, with Germany on her back, England's sympathies turned toward the defeated nation. France was at that time assuming a dominance which was disquieting to the British. A stronger Germany appeared to be needed to maintain a balance of power. But with the access of Hitler to power British feeling changed. Germany began to wear too much the appearance of the pre-war days. A blow had been struck at democracy, which the English cherish. Military dictatorship is unpopular in England. And so the feeling of the British people has turned strongly against the Germans.

The feelings of the Italians, the Austrians, the Americans, are complex. They are not so easily described as those of the principal contenders in this international controversy. The present Austrian government, however, headed by Dollfuss, can be depended upon to oppose the extension of Hitler's power and influence. Italy, while distrustful of France, is a good friend of Great Britain and does not desire to see Germany extend her power much farther into central Europe. The American government is strongly committed to disarmament and clearly looks with disfavor upon the abrupt breaking off of negotiations by the Germans.



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ARMAMENTS—SYMBOLS OF TODAY'S UNREST

war? These are questions which the whole world is asking.

What Will Follow?

If the German government should take action of that kind, what would France do? Perhaps she would send her soldiers across the border into German territory along the Rhine. The treaty gives her the right to occupy the German Rhineland for fifteen years as a guaranty that Germany will live up to the provisions of the treaty. The fifteen years will not be finished until the middle of next year. France moved her armies out of these Rhinelands several years ago, but she may possibly move them back if Germany undertakes to rearm. If she should do that, there might be fighting between the Germans and the French and this might be the beginning of another war.

It would seem to be madness for the Germans to try to oppose the French by

into something near a fury. They have the spirit of crusaders and sometimes people, when they are in that state of mind, strike out madly and with little thought of consequences. A small boy in the heat of anger may fly desperately at a boy twice his size, and a nation, weak in military resources, may do the same thing.

As the Germans See It

It is important in a case like this to inquire not only of the courses governments take officially but how the people of the different nations feel toward each other and toward the issues involved. If we turn first to Germany we find the German people united in the belief that Germany has been very badly treated. On many points the German people are not united, but they are agreed on this. Some of the Germans are willing to concede that the old German government of the kaiser was partly responsible for causing the



Week by Week with the N. R. A.

Studies of the Government in Action



THREE important industrial codes which were nearing completion occupied the center of attention in the NRA last week. They were the retail code, the food code, and the drug code. All three are closely related to each other. The retail merchants who will be governed by the retail code find that a large part of their business—the sale of food and drugs—will also be affected by the other two codes. Therefore it is one of the problems of NRA administrators to see that the principles of fair practice set up in the three codes agree with each other to the greatest possible extent. The question which most

small, independent merchant cries out against these practices because his smaller buying power does not allow him a large enough margin of profit to cut prices. The great majority of retail merchants feel that price-cutting has been the chief cause of more than 400,000 failures in retail business during the last four years.

To correct the price-cutting difficulty, a section of the retail code sets a minimum price below which a retailer may not sell his goods. The main provision of this section reads to the effect that a retail merchant must charge ten per cent more for any item he sells than the price at which

he buys it wholesale. For instance, if a department store buys a chair from a wholesale furniture dealer for ten dollars, it must not sell the chair for less than eleven dollars. This rule applies to all goods sold under the retail code. There are some exceptions made necessary by special circumstances, but in general this is the basis upon which the NRA hopes to end destructive price competition.

The retail code is now in the hands of President Roosevelt.

Only his signature is needed to put it into effect. The president will probably sign it as soon as the codes for food and drugs are completed and agreed upon. But final action on all three codes is being held up for a short time because of opposition to the price-fixing provisions. There are two rather strong sources of objection to price-fixing at present. One is the group of retailers who have taken the lead in price-cutting in the past. They claim that the disputed section of the codes cannot work out in practice, because of the tremendous job of supervision which would be required to prevent "chiseling." Thus far, however, the NRA administrators have overruled their objections.

More attention is being paid to the protests of consumers' representatives. Mrs. Mary Rumsey, head of the NRA Consumers' Advisory Committee, has declared that the price-fixing section of the retail code is in direct opposition to the needs and desires of consumers generally. Her argument is that it will make prices too high for the consumer. She says that it will place too great a burden upon the pocket book of the small-salaried workingman, and will in turn hurt the retailer's business. Mrs. Rumsey is supported to some extent in her views by George Peek, who, as the agricultural adjustment administrator, is in charge of the food code.

Mr. Peek fears that higher retail prices will make a wider gap between the prices the farmer gets for his produce and the prices he must pay for the goods he buys. A large body of farmer opinion backs him up in this view. Farmers feel that prices for farm goods are not yet high enough to enable them to pay even the present prices asked for retail goods. The president and General Johnson are listening to these consumer complaints, but it is very likely that the codes will go through in their present form. If prices go too high as a result of the new agreements, the codes may be changed somewhat.

Settling Labor Trouble

The National Labor Board, led by Senator Wagner, continues to work night and day to handle the numerous labor disputes which have arisen under the NRA. Senator Wagner is setting up regional labor boards in all sections of the country. It is expected that these boards will be able to handle most of the local problems in a satisfactory manner, and that the national board will be used only as a court of last resort, when all other measures have failed. The fight in the "captive" mines of the steel companies in Pennsylvania over the "check-off" system of deducting union dues, which we described here in our last issue, is apparently nearing a settlement. The action of President Roosevelt has laid the way for a compromise agreement between the miners and the operators. Labor leaders have replied to recent charges that there are too many strikes, by stating that they will do their best to see that disputes are handled by arbitration before there is any threat of a strike. They point out that many of the strikes now going on involve workers who do not belong to recognized unions. The American Federation of Labor leaders cannot control these separate unions, and therefore they claim they cannot prevent some of the most dangerous labor outbreaks.

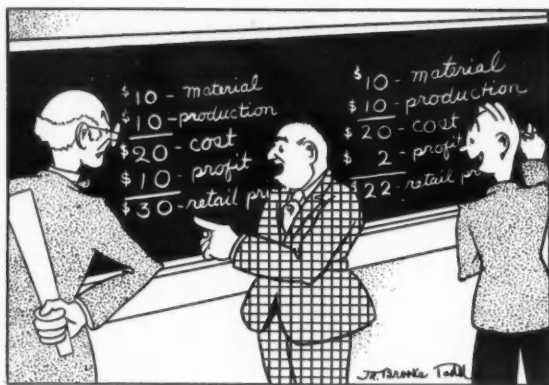
General Johnson made a speech to the A. F. of L. convention in Washington which has provoked considerable discussion about labor and the NRA. He made a very definite statement of his opinions on labor organization. The A. F. of L. favors the method of organization into craft unions, in which all workers who do the same kind of work belong to the same union, regardless of the industry in which they work. General Johnson, on the other hand, endorses the industrial union. The

industrial union organizes workers according to the industry under which they operate. An industrial union for the steel industry would include every worker in the industry, no matter what type of work he might do. The general's argument is that each industry in organized along those lines; therefore, he thinks, labor should be set up in that way also. By the use of industrial unions, he declares, labor would be able to bargain with employers better, and disputes might be more easily handled.

Changing the NRA

The work of revising the set-up of the NRA is progressing slowly. General Johnson and his helpers are proceeding cautiously, studying every possible method of reorganization, so that the Recovery Administration may become a permanent body for enforcement as well as approval of codes. Their plan now is to divide the NRA into four main divisions, which will work in a coöperative fashion. A deputy administrator will probably be placed at the head of each division. At the same time the administrators are working with various regular departments of the government in an effort to place part of the NRA responsibilities within those departments. For example, they expect the Federal Trade Commission and the NRA to work together in enforcing codes. The Department of Justice will no doubt be used if necessary to correct violations of the codes. The NRA, the National Labor Board, and the Department of Labor are working on a plan to handle labor troubles.

When the retail, food, and drug codes are signed, most of the country's major in-



THE N. R. A. CONTEMPLATES PRICE FIXING

concerns the entire group of three is also that which has caused most difficulty and disagreement. It is the question of price-fixing. Just how far should the codes go to regulate the prices which retail merchants must ask for their goods?

The Problem of Prices

The problem is a serious one because of past experiences which have caused much dissension among retailers, particularly in the last ten years. It has been a practice among these merchants to make deep price cuts in order to sell a larger volume of goods at a smaller margin of profit. This tendency has occurred especially in the large department stores and in the chain grocery, drug and department stores whose business has spread rapidly throughout the country. These stores have made a practice of placing on sale what they call "loss-leaders." This term is applied to the popular articles which, from time to time, are advertised and sold at a price less than that paid by the retailer to his wholesale dealer. These articles are sold at an actual loss; the purpose of the "loss-leader" is to bring customers into the store, where they may see other goods that appeal to them. If they buy other goods, the money lost on the cut-price item is more than made up by the profit on the other sales. Also the cut-price creates in the mind of the consumer the idea that other goods in the store are priced at a similar reduction. This and other price-cutting habits destroy unity and stability in the retail trade. The



THE NATIONAL LABOR BOARD BEGINS TO FUNCTION

dustries will have been definitely lined up under the Blue Eagle. That will clear the way for a close examination of the effects of the NRA to date. The Consumers' Advisory Board will be able to collect some sound information about the effect upon consumers; the Department of Labor has already begun to study the figures on employment and wages; and the many industries involved are beginning to realize what the operations of the first few months in the NRA have meant to them.

Something to Think About

1. Statement No. 1: *The Germans are right in their contentions (a) that the allied nations have violated their implied promise to disarm, and (b) that Germany was charged wrongfully with full responsibility for the war.*

Statement No. 2: *Germany has forfeited her claims to the sympathy and support of the world, (a) by persecuting large elements of her own population, and (b) by breaking off arms negotiations and creating a crisis when there was a prospect that she might have slowly yet peacefully won equality with the other powers by refraining from militaristic tactics.*

Is Statement No. 1 or Statement No. 2 true? Is there a necessary conflict between the two statements? Might both be true? Might one logically defend Germany's legal position on armaments and yet feel deeply the injustice of the present German policy?

2. If one presents a set of facts which, of themselves, are favorable to Germany, or Russia, or Italy, or Japan, does it mean that the one presenting them is favorable to German or Russian or Italian or Japanese policies in general?

Will your answer to this question probably keep you from jumping to unwarranted conclusions? Do you see any connection between this question and the first-page editorial?

3. How does Japanese policy in the Far East resemble our own Monroe Doctrine? How does it differ? Does Japanese Far Eastern policy resemble American policy about

the middle of the nineteenth century?

4. Do you think General Johnson was justified in advocating the establishment of labor unions in all industries? Do you approve his anti-strike statement?

5. How did Grace Abbott come to go into her present line of work? Was it an accident or did it result from her efforts to find the nature of her chief interests? Are you making any comparable effort?

6. Does your community need anything like the Opportunity School which has been established at Norwood, Massachusetts?

FOLLOW-UP REFERENCES: (a) *The Crusade for National Recovery*. Yale Review, Autumn 1933, pp. 1-19. (b) *Revolution in Cuba*. Foreign Affairs, October, 1933, pp. 46-56. (c) *Winter and the Public Works*. New Outlook, October, 1933, pp. 9-10. (d) *Human Dividends of the C. C. C.* Review of Reviews, October, 1933, pp. 40-41. (e) *The Powers Protect Austria*. Current History, October, 1933, pp. 73-76.

PRONUNCIATIONS: Manchuli (mahn-choo'lee); Pogranichnaya (po-grah-nich-ni'ah—o as in go, i as in time); Harbin (har'bin—a as in art, i as in hit); Changchun (chahng'choon); Chiang Kai Shek (che-ahng' ki shek—i as in time, e as in met; ki pronounced in some parts of China as our word guy); Alcatraz (al-ka-traz—each a as in art); Irina Skariatina (i-ree'na—i as in hit, ska-ree-a-tee'na—a as in art).